



## 2014 Segment Outlook

Figure 4: 2014E. Segment Operating Earnings Guidance and Drivers(\$ in millions)

| Segment                          | 2014E       | 2013  | %Δ        | Comments  |
|----------------------------------|-------------|-------|-----------|---|
| Additives & Functional Products  | \$410-430   | \$406 | 1%-6%     | (+) Higher vols as improvements in the transportation and building & construction markets<br>(-) Partial offset by contracted olefin spread.                        |
| Adhesives & Plasticizers         | >\$175      | \$173 | 1%        | (+) Improved vols, better productivity and lower operating costs<br>(-) Competitive pricing pressure in plasticizers  |
| Advance Materials                | \$280-\$300 | \$260 | 8%-15%    | (+) Increased volume and mix improvement.<br>(-) Costs of the unplanned shutdown.   |
| Fibers                           | ~\$480      | \$462 | 4%        | (+) Strong acetate flake volume, lower raw material costs and higher selling prices.<br>(-) Lower tow acetate vols and higher operating costs                       |
| Specialty Fluids & Intermediates | \$300-\$320 | \$364 | (12%-18%) | (-) Volatility of key raw materials (primarily propane) and unplanned shutdown.<br>(+)Technology licensing revenue to negate the impact of raw material volatility. |

Source: Eastman

Figure 5: 2014 olefins spread impact

### Full year projected olefins prices

|           |               |
|-----------|---------------|
| Propane   | \$1.18/gallon |
| Ethane    | \$0.29/gallon |
| Propylene | \$0.70/lb     |
| Ethylene  | \$0.46/lb     |

### Actions to offset headwinds

Increasing use of ethane relative to propane as a feedstock  
 Hedging program mitigates propane costs exposure  
 Pricing actions expected to partially offset higher feedstock costs

### Narrowing olefins spreads projected to negatively impact 2014

EPS relative to 2013 by \$0.30 to \$0.40

Source: Eastman, NYMEX, IHS